

Message Text

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PAGE 01 NATO 08599 01 OF 02 090959Z
ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 PM-05 INR-07 L-03 ACDA-07
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FM USMISSION NATO
TO SECSTATE WASHDC 5742
SECDEF WASHDC
INFO AMEMBASSY LONDON
CINCLANT NORFOLK VA
USLOSACLANT NORFOLK VA
USNMR SHAPE BE
USCINCEUR VAIHINGEN GER

C O N F I D E N T I A L SECTION 01 OF 02 NATO 08599

E.O. 11652: GDS
TAGS: MPOL, NATO, UK
SUBJECT: UK DEFENSE CUTS FOR 1978-79 - DPC MEETING
SEPTEMBER 7, 1977

REF: USNATO 08399 (DTG 021324Z SEP 77)
SUMMARY: AT THE SEPTEMBER 7 DPC DISCUSSION OF THE PROPOSED
LETTER FROM THE SYG TO THE UK DEFENSE AUTHORITIES ON THE
UK DEFENSE REDUCTIONS (REFTEL) A STRONG CONSENSUS EMERGED
IN SUPPORT OF THE LETTER, WITH ONLY A FEW MINOR MODIFICA-
TIONS. MOST ALLIES, WHILE RECOGNIZING THE UK'S FINANCIAL
SITUATION EXPRESSED CONCERN THAT CUTS IN THE UK DEFENSE
BUDGET WOULD HAVE A NEGATIVE AFFECT ON NATO PREPAREDNESS.
SYG LUNS INTENDS TO CIRCULATE A REVISED DRAFT OF THE
LETTER BY 16 SEPTEMBER. END SUMMARY.

1. IN HIS OPENING STATEMENT AT THE SEPTEMBER 7 DPC MEETING
ON UK DEFENSE CUTS, SYG LUNS STRESSED THE SERIOUSNESS OF
THE LONG SERIES OF UK DEFENSE REDUCTIONS AND HIS HOPE TO
CONFIDENTIAL

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PAGE 02 NATO 08599 01 OF 02 090959Z

HAND-DELIVER THE PROPOSED LETTER TO SECRETARY MULLEY
(PO/77/107(REFTEL) AFTER DPC APPROVAL. THE SYG THEN
CALLED ON THE CMC.

2. ZEINER GUNDERSEN (CHAIRMAN OF THE MILITARY COMMITTEE)
STATED THERE WAS NO CHANGE IN MILITARY OPINION ON THE
EFFECT OF UK DECREASING DEFENSE EXPENDITURES ON NATO

READINESS. ALTHOUGH THE UK HAS TRIED TO LIMIT THIS EFFECT, "IT CANNOT BE;" 260 MILLION POUNDS HAVE BEEN REMOVED FROM THE DEFENSE BUDGET, AND IN THE FACE OF THE WARSAW PACT BUILD UP SUCH A REDUCTION CANNOT BUT REDUCE NATO READINESS. NOW THAT FULL DETAILS ARE AVAILABLE FOR 1976, THE MILITARY AUTHORITIES WOULD BE ABLE TO MAKE A FURTHER ASSESSMENT OF THE IMPACT RESULTING FROM THE UK DEFENSE CUTS ON LONG-TERM PROGRAMS. THE CMC SUPPORTED LUNS' PROPOSED LETTER.

3. HOLMER (UK) READ A STATEMENT (SEPTTEL) AND TABLED A LIST OF SUGGESTED AMENDMENTS OF THE DRAFT LETTER, WHICH HE SAID WOULD AID MINDEF MULLEY WITH HIS CABINET COLLEAGUES.

4. SCHUURMANS (BELGIUM) TOOK EXCEPTION TO THE PRINCIPLE OF THE UK OFFERING UP AMENDMENTS TO A NATO COMMUNICATION TO THE UK, BUT AFTER A BRIEF EXCHANGE WITH SYG LUNS, WITHDREW HIS RESERVATIONS AS A COURTESY TO THE UK. SCHUURMANS SAID HIS AUTHORITIES ACCEPTED THE LETTER AS WRITTEN, ADDING THAT HE FOUND IT HARD TO BELIEVE THE UK REDUCTIONS WOULD NOT HURT NATO, EVEN THOUGH THE UK TRIED HARD TO REASSURE THE ALLIES THAT REDUCTIONS IN FUNDS FOR EQUIPMENT AND R&D WOULD NOT HAVE AN EFFECT ON FRONT-LINE FORCES. HE STATED HE WAS NOT ATTACKING THE GOOD FAITH OF THE UK GOVERNMENT, BUT ALL MEMBER COUNTRIES ARE AFFECTED BY UK DEFENSE ACTIONS, AND HOPED THIS WAS THE LAST TIME REDUCTIONS ARE DISCUSSED.

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PAGE 03 NATO 08599 01 OF 02 090959Z

5. AMBASSADOR BENNETT SUPPORTED THE PROPOSED LETTER AS DRAFTED, ALTHOUGH HE WANTED TO BE HELPFUL TO UK AND WAS PREPARED TO CONSIDER CHANGES TO IMPROVE TONE OF LANGUAGE. HE AGREED WITH THE NMAS THAT THOUGH THE UK HAD OBVIOUSLY TRIED TO MITIGATE THE IMPACT OF THE CUTS, THE CUMULATIVE EFFECT CANNOT BUT HAVE AN ADVERSE IMPACT. ALLUDING TO LAST MAY'S AGREEMENT BY THE ALLIANCE TO EMBARK ON LONG-TERM AND SHORT-TERM IMPROVEMENTS, AS WELL AS THE AIM OF 3 PERCENT REAL INCREASES IN DEFENSE SPENDING, HE STRESSED THE IMPORTANCE OF THE UK RESTORING ITS FULL DEFENSE CONTRIBUTION WHEN THE ECONOMIC SITUATION IMPROVES. IN CLOSING HE NOTED THE US WILLINGNESS TO MAKE A MAJOR EFFORT TO IMPROVE THE ALLIANCE'S COLLECTIVE DEFENSE POSTURE, PROVIDED OUR ALLIES ARE WILLING TO DO MORE. WE COUNT, HE SAID, ON THE UK TO PLAY A MAJOR ROLE IN THIS EFFORT.

6. PAULS (FRG) STRONGLY SUPPORTED THE DRAFT LETTER AS WRITTEN, AND RECOMMENDED IT BE DELIVERED WITHOUT INCLUDING THE PROPOSED UK AMENDMENTS. PAULS SUBSCRIBED TO THE REMARKS OF THE CMC, US AND BELGIAN COLLEAGUES.

7. VIBE (NORWAY) VOICED HIS AUTHORITIES' APPRECIATION

FOR THE UK CONTRIBUTION TO NATO, AND HOPED THE UK WOULD RECOVER THE ESSENCE OF THE PROPOSED CUTS. VIBE AGREED WITH THE INTENT OF THE DRAFT LETTER; HOWEVER, HE EXPRESSED HIS RESERVATIONS ON THE TONE AND SUGGESTED THE LANGUAGE BE SOFTENED, ESPECIALLY PARAGRAPH 3.

8. BUWALDA (NETHERLANDS) REMARKED ON HIS CONCERN OVER THE UK DECREASING DEFENSE BUDGET AND POINTED OUT THE NETHERLANDS DEPENDENCY ON UK NATO FORCE READINESS. BUWALDA SUPPORTED THE LETTER AS WRITTEN WITH MINOR

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PAGE 01 NATO 08599 02 OF 02 091006Z

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FM USMISSION NATO

TO SECSTATE WASHDC 5743

SECDEF WASHDC

INFO AMEMBASSY LONDON

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C O N F I D E N T I A L SECTION 02 OF 02 NATO 08599

EXCEPTIONS.

9. SVART (DENMARK) SAID THAT THE UK REDUCTIONS DID NOT AFFECT THE AMF AND COMMENTED ON THE RETENTION OF THE 4TH COMMANDO, AN IMPORTANT ASPECT IN THE BALTAP AND AMPHIBIOUS OPTIONS AVAILABLE TO THE NATO MILITARY AUTHORITIES. HE HAD NO QUARREL WITH THE DRAFT LETTER AS IT STOOD, BUT TO HELP MULLEY AND IN THE INTEREST OF THE ALLIANCE WAS WILLING TO DISCUSS THE UK AMENDMENTS.

10. AFTER CONSIDERABLE DPC DISCUSSION, THE TEXT OF THE PROPOSED LETTER WAS AGREED WITH THE FOLLOWING CHANGES:

PARAGRAPH 1 - THIRD SENTENCE, AMEND TO READ:

. "THE CUMULATIVE RESULT IS THAT FINANCIAL
. YEAR 1978/1979 HAS SUFFERED CUTS INCLUDING

. THE REDUCTIONS MADE AS A RESULT OF THE
. UNITED KINGDOM DEFENCE REVIEW AMOUNTING,
. IN 1977 PRICES, TO SOME POUNDS 1420 MILLION,
. OVER ONE-SIXTH OF THE EXPENDITURE OF ABOUT
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PAGE 02 NATO 08599 02 OF 02 091006Z

. POUNDS 7920 MILLION WHICH WAS PLANNED BEFORE
. THE UK DEFENSE REVIEW."

. - DELETE THE LAST FIVE SENTENCES.

PARAGRAPH 2 - FIRST SENTENCE AMEND TO READ:

. "IN ASSESSING PREVIOUS REDUCTIONS BY HER
. MAJESTY'S GOVERNMENT IN PLANNED DEFENCE
. EXPENDITURES, NATO HAS SHOWN A CONSIDERABLE
. MEASURE OF UNDERSTANDING FOR THE UNITED
. KINGDOM'S REAPPRAISAL OF ITS DEFENCE POLICY
. IN THE LIGHT OF CHANGING WORLD CONDITIONS
. AND FOR THE TRANSIENT ECONOMIC DIFFICULTIES
. WHICH PROMPTED THE SUCCESSIVE FURTHER CUTS
. MADE IN THE MINIMUM LEVEL OF DEFENCE WHICH
. THAT REAPPRAISAL SOUGHT TO HAVE ESTABLISHED."

. INSERT A NEW THIRD SENTENCE:

. "MOREOVER THEY ACKNOWLEDGE THAT IN 1978-79,
. EVEN AFTER THE CUTS IN PLANNED DEFENSE
. EXPENDITURE, THE UK WILL BE SPENDING SOME
. 5 PERCENT OF GDP ON DEFENSE."

PARAGRAPH 3 - SECOND SENTENCE AMEND TO READ:

. "THEREFORE, IT IS A CAUSE FOR DISAPPOINTMENT
. THAT THE UK AUTHORITIES FELT OBLIGED TO TAKE
. STEPS WHICH, AS THE NATO MILITARY AUTH-
. ORITIES POINT OUT, WILL HAVE A DIRECT OR
. INDIRECT ADVERSE IMPACT ON THE UNITED
. KINGDOM FRONT-LINE FORCES."

. AMEND LAST SENTENCE TO READ:

. "YOUR ALLIES FEEL BOUND TO POINT OUT THE

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PAGE 03 NATO 08599 02 OF 02 091006Z

. UNITED KINGDOM'S ACTION WILL NOT BE HELPFUL
. TO OTHER GOVERNMENTS WHO ARE MAKING MAJOR
. EFFORTS TO HALT OR REVERSE THE ALARMING
. TREND IN THE MILITARY BALANCE EVIDENCED IN
. RECENT YEARS.

PARAGRAPH 4 - INSERT A NEW THIRD SENTENCE:

. "THEY ALSO ACKNOWLEDGE THE MEASURES WHICH
. THE UK AUTHORITIES TOOK AS A MATTER OF
. COURSE TO PROTECT THEIR DEFENSE PROGRAM
. FROM THE EFFECTS OF INFLATION."

PARAGRAPH 5 - FIFTH SENTENCE AMEND TO READ:

. "WHEN THAT HAPPENS, IT IS ESSENTIAL THAT THE
. DEFENSE SECTOR NOT MERELY RETURN TO PREVIOUS
. LEVELS BUT RECOVER PART AT LEAST OF THE
. SAVINGS WHICH, IN OUR VIEW TO A DISPROPOR-
. TIONATE EXTENT, IT HAS BEEN FORCED TO CARRY."

11. SYG LUNS WITHOUT FURTHER AGENDA DISCUSSION ADJOURNED
THE MEETING AND WILL RATIFY THE DRAFT LETTER THROUGH
SILENCE PROCEDURE UNLESS EXCEPTIONS ARE VOICED BY MEMBER
NATIONS. AGENDA ITEM II DEALING WITH NATO MARITIME
MINING WAS CANCELLED. BENNETT

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Message Attributes

Automatic Decaptioning: X
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Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Sent Date: 09-Sep-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Executive Order: RR
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Legacy Key: link1977/newtext/t19770978/aaaacnwi.tel
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